



Department of State TELEGRAM

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ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 USIE-00 INRE-00 NSCE-00 SSU-00
CIAE-00 ODDE-00 PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05
PA-02 RSC-01 PRS-01 SP-02 SS-15 AEC-07 AID-05 CEA-01
CIEP-02 COME-00 EB-06 FPC-01 INT-05 UMB-01 SAM-01
DES-03 STR-04 TRSE-00 FRB-01 NEA-10 EA-10 /109 *
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TO SECSTATE WASHDC IMMEDIATE 6365

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TAGS EGEN ENRG VE
SUBJ: PRESIDENT PEREZ CALLS FOR NEW DIALOGUE
WITH US

1. PRESIDENT CARLOS ANDRES PEREZ, IN COURSE OF INTERVIEW WITH DAILY JOURNAL SAID " US WILL ALWAYS BE NUMBER ONE PARTNER OF VENEZUELA." HE ADDED, HOWEVER " VENEZUELA BELIEVES IN OPENING COUNTRY TO OTHER NATIONS." IN THIS CONNECTION HE MENTIONED THE AGREEMENT WITH JAPANESE INTERESTS ON ALUMINUM PRODUCTION, AS WELL AS A PETROCHEMICAL ENTERPRISE IN CONJUNCTION WITH AMERICAN INTERESTS THAT WOULD BE OF RECORD SIZE.

2. HE PREDICTED " MORE FOREIGNERS" AND " MORE FOREIGN INVESTMENT" FOR VENEZUELA IN COMING YEARS BECAUSE OF NEW OPPORTUNITIES HERE AND ECONOMIC MAL-ADJUSTMENTS ABROAD. HE SAID " SELECTIVE IMMIGRATION" WOULD BE ENCOURAGED AND THAT FOREIGNERS NOW WORKING IN COMPANIES TO BE NATIONALIZED WILL BE ENCOURAGED TO REMAIN "UNDER SAME CONDITIONS."

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3. REFERRING TO HIS TELEGRAM TO PRESIDENT FORD, PEREZ SAID HE DID NOT EXPECT A FORMAL ANSWER BUT RATHER A CONSIDERATION OF VENEZUELAN VIEWPOINT. FORD'S STATEMENT IN US DEMANDED A CLARIFICATION.

4. "OPEN DIALOGUE" AND NEW AGREEMENTS ARE NEEDED TO AVOID PERMANENT UNCERTAINTY IN THE FIELD OF OIL PRICES, WHICH PEREZ DOES NOT WANT TO CONTINUE TO RISE. NEW AGREEMENTS TO REGULATE PRICES OF ALL RAW MATERIALS ARE NECESSARY. AGREEMENTS SHOULD INCLUDE TRANSFER OF TECHNOLOGY TO UNDERDEVELOPED COUNTRIES. PRICES OF MANUFACTURED GOODS HAD BEEN CONSTANTLY RISING WHILE OIL PRICES HAD BEEN GOING DOWN SO "NEW NORMS" TO PERMIT EQUILIBRIUM NOW ARE NECESSARY.

5. CONCERNING AMERICAN INTERESTS, HE SAID, " IF UNITED STATES' INTERESTS ARE AFFECTED IN OIL, IRON, AND THE ANDEAN PACT, THEY ARE CIRCUMSTANTIALLY AFFECTED BUT NOT ABUSED. DECISIONS WERE MADE WITHIN PRE-EXISTING LEGAL ORDER." HE INSISTED THAT FOREIGN INVESTMENTS IN NEW FIELDS WOULD BE STIMULATED AND THAT NEW MIXED COMPANIES WOULD BE FOREMED.

6. WHILE DECISION HAS BEEN MADE CONCERNING REVERSION OF OIL INDUSTRY, THERE WILL BE " SYSTEMS OF COOPERATION AND COUNSELING TO PERMIT VENEZUELA TO TAKE ADVANTAGE OF THE EXPERIENCE AND KNOWLEDGE OF THE COMPANIES... THERE WILL BE CONTRIBUTIONS OF MULTI-NATIONAL CORPORATIONS IN INDIRECT FORM."

7. HE STRESSED THE MOST IMPORTANT THING AS "FULL HARMONY AND DIALOGUE."

8. IN RESPONSE TO QUESTIONING CONCERNING EX-MINISTER PEREZ ALFONZO'S DEMANDS FOR CONSERVING OIL IN GROUND, PRESIDENT PEREZ SAID, " WHILE SYMPATHETIC TO CONCEPT, THERE MUST BE CONSERVATION WITHIN THE FRAMEWORK OF OUR AGREEMENTS AND COMMITMENTS. WE CANNOT REDUCE PRODUCTION MORE THAN THESE OBLIGATIONS PERMIT." HE SAID THAT ONE OF VENEZUELA'S GOALS IS TO REVISE THE OIL QUOTAS OF NATIONS " IN ORDER TO NORMALIZE THE

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WORLD'S OIL SUPPLY."

9. EMBASSY WILL TRANSMIT COMPLETE TEXT OF PRESIDENT
PEREZI REMARKS WHEN AVAILABLE.
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